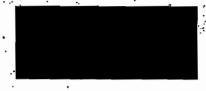
Form 1937-A (Rev. 6-80) (Carbon Attached Version of Form 1937)

CERTIFIED



Person to Contact:
Telephone Number:
Refer Reply to:
Internal Revenue Service

Date: SEP 0 4 199

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code.

The information submitted discloses that you were incorporated on under the compressit corporation laws of the State of

Your organization was formed to promote among the truck dealers in the State of high ethical and operating standards with the view of developing and maintaining the public good will. You assert in the application that the primary purpose of the organization is to act as an advertising cooperative for the member truck dealers within the State of

The organization's membership is made up of the truck dealers located within the regional advertising area. The form 1024 application states that membership is mandatory for all franchised truck dealers located within such area.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of "business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

Section 1.501(c)(6)-1 of Income Tax Regulations reads as follows:

"BUSINESS LEAGUES, CHAMBERS OF COMMERCE, REAL ESTATE BOARDS AND BOARDS OF TRADE. A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the

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•	Date .	8/3./91	8/30/91	8/30/91	9-4-91			

Form 1937-A (Rev. 6-80) Correspondence Approval and Clearance

Department of the Treasury/Internal Revenue Service

improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league. An association engaged in furnishing information to prospective investors, to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated. A stock or commodity exchange is not a business league, a chamber of commerce, or a board of trade within the meaning of section 501(c)(6) and is not exempt from tax. Organizations otherwise exempt from tax under this section are taxable upon their uprelated business taxable income. See sections 511 to 515, inclusive and the regulations thereunder".

According to Revenue kuling 67-77, 1907-1, C.B. 138, "An organization composed of dealers in a certain make of automobile in a designated area is organized and operated for the primary purpose of financing general advertising campaigns to promote, with funds contributed by dealer members, the sale of that make of automobile. Held, the organization is performing particular services for its members instead of promoting the automotive industry as a whole and is not entitled to exemption from Federal income tax as a business league under Section 501(c)(6) of the Internal Revenue Code of 1954."

You do not qualify for exempt status under Section 501(c)(6) because you are similar to the organization described in the above revenue ruling. Your primary activity is to advertise your members' products. You are performing particular services for your members instead of promoting the automotive industry as a whole.

We have concluded that you do not quality for exemption from Federal Income Tax as an organization described in Section 501(c)(6) of the Internal Revenue Code. Accordingly, you are required to tile Federal income tax returns on Form 1120, annually with your District Director.

If you do not agree with these conclusions, you may within 30 days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filling of a pour of attorney and

evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If we do not hear from you within 30 days from the date of this letter this determination will become final.

Please keep this determination letter in your permanent records.

If you agree with this determination please sign and return the enclosed Form 6018.

Very truly yours,

Enclosures: Publication 892 Form 6018